## IN THE SPECIFICATION:

Please rewrite the paragraphs appearing at page 2, line 15, through page 3, line 8, as follows:

It is another objective of the present invention to provide an image processing apparatus and method which prevent an unauthorized use of material images even if the mosaic image generation is performed in a remote server. To achieve these objectives, the present invention uses a multilevel image as a material image that constitutes a mosaic image. A multilevel image is an image for which more than one image data having different resolutions is provided for a single image. The mosaic image is generated by dividing an original image to be presented as the mosaic image into a plurality of segments (tiles) and an appropriate material image is applied to each segment. In selecting a material image to be applied to a segment, the distance between the average density of the original image contained in the segment and the average density of each material image is determined. A material image, which has the closest distance, is then fitted into the segment. Since each material image is a multilevel image, the lowest-resolution image data of it is used to calculate the average density to select a material image: provides a method that comprises holding first information including a characteristic quantity of each of a plurality of material images by an image processing apparatus, the first information corresponds to each of the plurality of material images and has an amount of information less than that of each of the plurality of material images. Selected material images and their positions are determined according to an original image and the first information by the image processing apparatus, and the plurality of material images are stored in an image storage apparatus. The selected material images determined in the determining step are

then outputted out of the plurality of material images stored in the storage apparatus according to the position determined in the determining step.

As an alternative, there is provided a method that selecting a material image from a plurality of material images stored in a image storage apparatus and then combining the selected material images to generate a mosaic image in imitation of an original image, according to a characteristic of an original image. The method comprises holding information including a characteristic of each of the plurality of material images, determining selected material images according to the original image and the information, and outputting information indicating the selected material images determined in the determining step to the image storage apparatus.